Distr.
GENERAL

GC.6/23
26 September 1995

United Nations Industrial Development Organization

ORIGINAL: ENGLISH

GENERAL CONFERENCE

Sixth session
Vienna, 4-8 December 1995
Item 9 (i) of the provisional agenda

INDUSTRIAL DEVELOPMENT AND COOPERATION ACTIVITIES: GLOBAL PRIORITIES

UNIDO contribution to global United Nations conferences

Report by the Director-General

Summary

Describes the UNIDO contribution, follow-up and preparatory activities to recent and forthcoming global United Nations conferences.

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V.95 57528 (E) (b:\1995\pmo 9)

Distr.: 6 October 1995

Introduction

1. During the 1990s, a number of global conferences are being organized and held under the auspices of the United Nations to examine, in a holistic and interrelated manner, major developmental concerns, their nature, dimensions and implications. The objective of such conferences is to formulate appropriate policies, strategies and programmes to address the key issues and to define ways and means of mobilizing international support for concrete remedial action. In that context, the United Nations Conference on Environment and Development (UNCED) held at Rio de Janeiro, Brazil, in June 1992, the International Conference on Population and Development held at Cairo, Egypt, in September 1994, the World Summit for Social Development, organized in March of this year in Copenhagen, Denmark, and the Fourth World Conference on Women, which met in September 1995 at Beijing, China, constituted relevant milestones in the endeavours of the multilateral system to come to grips with those concerns.

2. UNIDO took an active part in those conferences, contributing its knowledge and experience towards the definition of appropriate solutions as seen from an industrial perspective. Furthermore, UNIDO has been actively preparing for its participation in and contribution to the United Nations Conference on Human Settlements (Habitat II), which is slated for June 1996 at Istanbul, Turkey.

3. The follow-up given by UNIDO to the conferences already held and the preparations being made for the one still to come are summarily described below, in chronological order, with cross-reference made, whenever relevant, to information already provided in other documents.

I. UNITED NATIONS CONFERENCE ON ENVIRONMENT AND DEVELOPMENT (UNCED)

4. Environmentally sustainable industrial development (ESID) is one of the five development objectives to guide the activities of the Organization in the years to come as outlined in document GC.5/23 and approved at the fifth session of the General Conference in resolution GC.5/Res.18. Stemming from UNIDO participation in UNCED—and from the UNIDO-organized ESID Conference that preceded it at Copenhagen, Denmark, in October 1991—a comprehensive programme of work was elaborated and environment-related activities were expanded to reflect the fundamental role that industry is called upon to play in that respect. Within the framework of efforts made to further refine and focus the assistance that UNIDO renders to its constituency, taking into account the resource outlook, "Environment and energy" has been selected to be one of the seven programmatic themes for the next biennium, as elaborated upon in document IDB.14/13. The theme comprises four component programmes, namely:

(a) Environmentally sustainable industrial development strategies;

(b) Clean and safe production;

(c) Implementation of international conventions;

(d) Industry and international environmental norms and standards.

5. As reported in detail in document GC.6/28, UNIDO has increased its participation in the implementation of Agenda 21 and other internationally agreed instruments for environmental protection. In Industrial Development Board decision IDB.11/Dec.18, UNIDO was requested to support the implementation of Agenda 21, particularly in the following priority areas: integrating environment and development in decision-making; protection of the atmosphere; environmentally sound management of biotechnology; strengthening the role of business and industry; transfer of environmentally sound technology and chemical safety. The Director-General was also requested to engage the Organization in global efforts to protect the ozone layer in accordance with the Montreal Protocol.

6. UNIDO is actively involved in the environmental initiatives of the United Nations system and plays a leading role in their industry-specific programmes. Along with the United Nations Development Programme (UNDP), the United Nations Environment Programme (UNEP) and the World Bank, the Organization is one of the four implementing agencies of the Multilateral Fund for the Implementation of the Montreal Protocol.

7. With a view to ensuring coordinated follow-up and implementation of the comprehensive set of recommendations provided under Agenda 21, two important mechanisms were created within the United Nations: the Commission on Sustainable Development (CSD), as a functional commission under the Economic and Social Council, and the Inter-Agency Committee on Sustainable Development (IACSD), under the Administrative Committee on Coordination (ACC). In turn, IACSD designated Task Managers to coordinate inter-agency work on various chapters, issues and programme areas of Agenda 21.

8. UNIDO has been designated as the Task Manager for Chapter 16, Environmentally sound management of biotechnology; this is a cross-sectoral issue to be seen in

conjunction with Chapter 34 (Transfer of environmentally sound technology, cooperation and capacity-building) and Chapter 35 (Science for sustainable development). In March 1995, UNIDO prepared its Task Manager's Report which provides a summary account of system-wide action taken since UNCED as well as an outlook on further action required to meet the agreed objectives. It served as the basis for the report of the Secretary-General on this subject, to the third session of CSD.

9. In connection with the implementation of Chapter 34 of Agenda 21, and in response to a CSD decision, UNIDO convened, jointly with the Department for Policy Coordination and Sustainable Development (DPCSD) and UNEP, a round-table meeting on technology transfer, cooperation and capacity building for sustainable development (in Vienna, February 1995). The proceedings of that round table, while identifying areas for operational initiatives, also provided a major input for the report of the Secretary-General on Chapter 34 to the third session of CSD.

10. UNIDO has also become a full-fledged member of the Interorganization Programme for the Sound Management of Chemicals (IOMC), together with the Food and Agriculture Organization of the United Nations (FAO), the International Labour Organization, UNEP, the World Health Organization and the Organisation for Economic Cooperation and Development; the Programme provides technical support to the Intergovernmental Forum on Chemical Safety.

11. Of the many UNCED follow-up initiatives taken by UNIDO, the programme on national cleaner production centres, which UNIDO launched in cooperation with UNEP, deserves specific mention. The centres will play a catalytic role in promoting industrial pollution prevention by providing technical information and advice, demonstrating cleaner production techniques and technologies, and training industry and government professionals. While the initial phase of this programme will support eight centres for three years, the intention is to eventually be able to provide support to 20 centres over a period of five years. The programme draws not only on the experience of similar activities in developed countries, but also on the experience of UNIDO in promoting and implementing industrial pollution prevention programmes in developing countries.

12. The initiatives taken by the non-governmental organizations (NGO) community with regard to Agenda 21 is a crucial aspect of its implementation. UNIDO sees the involvement of civil society as being central to realizing the industrial dimension of sustainable development strategy. Accordingly, UNIDO endeavours to foster close interaction with non-governmental actors in industrial development, such as industry associations and trade unions. In that context, an NGO Forum on Cleaner Industrial Production will be held on 30 November - 1 December 1995, immediately before the sixth session of the General Conference, to attain a common understanding with the NGO community on the efforts to promote cleaner industrial production, and to enlist their support in developing the UNIDO Cleaner Production Programme.

II. INTERNATIONAL CONFERENCE ON POPULATION AND DEVELOPMENT (ICPD)

13. As far as UNIDO is concerned, the contribution of the industrial sector to issues related to population and development touches upon a number of areas also closely linked to the themes of two other major conferences recently held, i.e. the World Summit for Social Development and the Fourth World Conference on Women. Thus, activities reported upon under chapters III and IV below should be equally considered as part of the follow-up to ICPD.

III. WORLD SUMMIT FOR SOCIAL DEVELOPMENT

14. In addressing the question of social development from the standpoint of industry's contribution hereto, UNIDO has emphasized the aspects of poverty alleviation and improved living standards through the build-up of productive industrial capacities, job creation, more equitable distribution of income and social services to rural areas. The key role of industry as the main engine of growth and as a basis for the overall socio-economic development of a country is beyond question. A sustainable increase in the standard of living of a population, in productive employment, in education, in health and in the supply of basic needs is achievable only through a dynamic industrial development process. Indeed, one of the five development objectives of the Organization is "equitable development through industrial development". Efforts have been enhanced to develop integrated packages of services addressing issues of socially sustainable industrial development in the framework of the Summit's core themes. Specifically, UNIDO programmes cover:

(a) Infrastructural development to promote socially-oriented industrial growth;

(b) Transfer and adaptation of industrial technologies having a significant social impact;

(c) Development and application of appropriate technologies for local production to satisfy basic needs (food, clothing, health, housing and energy);

(d) Promotion and upgrading of micro-industries as a means to broaden entrepreneurship and increase participation;

(e) Development of industry-related services as a means to generate urban employment;

(f) Development of small- and medium-scale industries geared to the creation of employment including people of disadvantaged groups;

(g) Promotion of agro-related, regional and rural industrial development;

(h) Upgrading of human skills and management systems to meet the challenges of globalization;

(i) Further strengthening activities for integrating women in industrial development;

(j) Industrial recovery in the context of post-emergency assistance.

15. Many of these programmes offer good potential for inter-agency cooperation (e.g. with FAO in the field of food security and food processing). However, scarce additional funding for the overall social development initiatives is likely to impose severe limitations on such programmes.

16. As it was emphasized at ICPD and the World Summit for Social Development, NGOs need to be given a key role in the initiation and implementation of technical cooperation programmes on social-oriented industrial development. UNIDO is in the process of establishing an advisory council drawn from industry-sector NGOs which, partly related to the World Summit follow-up, will constitute a forum for exploring innovative concepts of UNIDO interaction with the private sector.

17. A specific report on recommendations for follow-up action by UNIDO to the World Summit for Social Development (IDB.14/24) was presented to the Industrial Development Board at its fourteenth session. The Board took note of the report.

IV. FOURTH WORLD CONFERENCE ON WOMEN

18. UNIDO participated in the Conference and took a series of initiatives in support of the Conference objectives. UNIDO chose "Global industrial change: Women and socio-economic progress" as its theme for the Conference with the aim of increasing awareness of how women's industrial participation is affected by economic changes caused by globalization of production and trade. Emphasis was placed on the potential economic and social disadvantages facing developing countries that fail to recognize the significant contribution women make to industry, especially in manufacturing where women account for 30 per cent of the total manufacturing labour force.

19. To prepare for and define its approach to the Conference, UNIDO organized an expert group meeting on women in industry that was held in Vienna from 10 to 12 July 1995, financed by the Government of the Netherlands. It was attended by 21 experts on women's issues from around the world. The meeting affirmed that, through UNIDO efforts to increase economic opportunities, women in developing countries will have better access to income and employment possibilities as well as decision-making roles in management and leadership positions. One of the key elements of the UNIDO strategy is to promote the establishment of policies aimed at reaching a target of women representing 30 per cent of managerial posts, in both public and private sectors, by the year 2010.

20. The three sub-themes for the UNIDO message to the Fourth World Conference on Women were determined by taking into account UNIDO expertise in industrial development and knowledge of the individual needs of developing countries. The sub-themes were discussed at the meeting and the views of experts as expressed thereon are as follows:

(a) Policies and strategies for better integration of women in industrial development: Current industrial policies in many countries tend to disadvantage women and thereby undermine their ability to overcome poverty. Some policies restrict the participation of women in certain industrial activities and/or limit their progress to levels of industrial management. UNIDO will encourage policy changes that could promote better participation of women at all levels, in particular at enterprise, factory and community levels. Macroeconomic policies, including structural adjustment programmes, should be evaluated more closely to determine their impact on the employment of women in industry and revised, if necessary;

(b) Human resource development: Services are needed to train female staff for development projects. In this connection, it is important to improve cooperation with the private sector;

(c) Access to resources: Access by women to resources must be improved. This entails facilitating access to land and natural resources, low-cost credit, education, markets, support systems, employment opportunities, etc. By equalizing access to resources, women will be able to utilize opportunities to move into

industrial employment and out of the constraints of poverty.

21. Other initiatives launched by UNIDO in the context of its participation in the Conference consisted of the celebration, on 6 September 1995, of the first Women in Industry Day, the creation of a UNIDO Women in Industry Recognition Award and the organization of a Women in Industry exhibition.

22. In the follow-up activities to the Conference, special attention will be paid, *inter alia*, to the development, production and distribution of cost-effective, high quality drugs and medical supplies to areas and people in greatest need in developing countries, through:

(a) Supporting the harmonization of pharmaceutical industrial policies in developing countries and promoting internationally accepted patent laws;

(b) Improving the manufacturing processes and R and D capabilities of pharmaceutical companies in developing countries;

(c) Establishing quality assurance systems by introducing company-wide quality management techniques, so that essential and generic drugs will meet current requirements;

(d) Enhancing competitiveness and productivity by reducing production costs to a feasible minimum and introducing financially viable product-mixes to allow domestic industry not only to survive, but to grow;

(e) Ensuring the supply of medication at the lowest possible cost to patients and social security systems;

(f) Adopting internationally accepted managerial practices and technology options that are designed to minimize environmental impact.

23. Moreover, UNIDO will advise on the creation of an enabling environment for the development of rural and small-scale enterprises in which women are the key actors, through, *inter alia*, facilitating access to credit, setting up associations, improving support services and infrastructure, upgrading technologies and providing training for the development of entrepreneurship.

V. UNITED NATIONS CONFERENCE ON HUMAN SETTLEMENTS (HABITAT II)

24. In order to ensure adequate preparations for the Conference within UNIDO, an internal task force was set up. The activities launched by UNIDO in that context include a high-level colloquium on industrialization and urban development, to be held in Vienna in October 1995, and a regional Consultation on the construction industry with emphasis on housing for least developed countries in Africa, which is scheduled for the second half of 1996. The regional Consultation is intended to build upon the results of Habitat II by elaborating in greater detail on specific industrial aspects of the development of the construction industry in that group of countries and to identify concrete avenues of co-operation in that regard. The considerable experience and knowledge of UNIDO as regards building materials for low-cost housing will be applied in the follow-up activities.

VI. SYSTEM-WIDE FOLLOW-UP MECHANISMS

25. To ensure coordination of and coherence in the follow-up to global conferences by individual organizations in the United Nations system, certain specific institutional mechanisms have been created—such as IACSD, mentioned earlier in the context of UNCED, in which UNIDO plays an active role. Moreover, relevant coordination bodies, subsidiary to ACC, such as the Consultative Committee on Programme and Operational Questions (CCPOQ), also act as forums for that purpose.

26. "Coordinated follow-up by the United Nations system and implementation of the results of major international conferences organized by the United Nations in the economic, social and related fields" was an important sub-item of the agenda of the substantive session (coordination segment) of the Economic and Social Council held in June-July 1995. For the purpose of the debate, the Council had available the report of the Secretary-General on the subject (E/1995/86). The Council adopted a set of conclusions (E/1995/L.58) related to the intergovernmental level, inter-agency coordination at all levels, reporting, cooperation between the United Nations, the Bretton Woods institutions and the World Trade Organization, and the mobilization of resources. In that context, the Council touched upon a number of issues: the respective roles of the General Assembly, Economic and Social Council and functional commissions were examined and certain recommendations made for their improvement; the importance of policy guidance within the framework of the Agenda for Development was highlighted; the need for consolidated reporting was stressed; the potential benefit was emphasized that could be derived from closer co-operation between funds and programmes, regional commissions, specialized agencies including the Bretton Woods institutions, and the World Trade Organization; the harmonization and coordination of the agendas and work programmes of the functional commissions was called for, to promote a clearer division of labour among

them and with the aim of sustaining and strengthening the quality and impact of their output; the role of regional commissions was reaffirmed in their provision of assistance to countries in each region in the implementation of the recommendations of conferences; the need was recognized for closer and improved interaction between the Economic and Social Council and the Committee for Programme and Coordination. The Council also recommended that the role of ACC and its standing committees be further strengthened and called for the systematic exchange of information and rational division of labour between the established ACC machinery and *ad hoc* mechanisms set up in the context of the follow-up to individual conferences. Finally, the Council indicated the importance of enhancing the effectiveness of official development assistance (ODA) and increasing its amount as soon as possible with the objective of achieving the accepted United Nations target of 0.7 per cent of gross national product for ODA, as reaffirmed by UNCED in Chapter 33.13 of Agenda 21 and by other relevant international conferences such as ICDP and the World Summit for Social Development. The mobilization of substantial new and additional resources from all sources, domestic and international, public and private, and from traditional and new sources in accordance with the relevant provisions of the programmes of action, would also be instrumental for the implementation of relevant programmes.

27. In a related development, UNDP has proposed the establishment of inter-agency task forces to provide coordinated technical and other assistance in support of priority objectives established at recent United Nations conferences. The five areas that would be addressed by these task forces are:

(a) Basic social services for all;

(b) Access by the poor to productive assets and livelihoods and full employment;

(c) Enabling environment for poverty eradication and social development;

(d) Gender equity and advancement of women;

(e) Sustainable agriculture, food security and environmental resources.

The proposal is being considered by the relevant inter-agency coordination bodies, of which UNIDO is part.

VII. ACTION REQUIRED OF THE CONFERENCE

28. The Conference may wish to take note of the present report and to make recommendations for further follow-up by UNIDO.